

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Windsor Charter Township</b>	County <b>Eaton</b>
Audit Date <b>12/31/04</b>	Opinion Date <b>6/22/05</b>	Date Accountant Report Submitted to State: <b>6/30/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm, that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

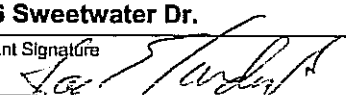
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Cardinal Tepatti &amp; Co., P.C.</b>			
Street Address <b>11966 Sweetwater Dr.</b>		City <b>Grand Ledge</b>	State <b>MI</b>
Accountant Signature 		ZIP <b>48837</b>	Date <b>6/30/05</b>

WINDSOR CHARTER TOWNSHIP

EATON COUNTY

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004

## TABLE OF CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	8
Reconciliation of Balance Sheet of	
Governmental Funds to Net Assets	9
Statement of Revenue, Expenditures,	
and Changes in Fund Balances	10
Reconciliation of Statement of Revenue, Expenditures,	
and Changes in Fund Balances of Governmental	
Funds to the Statement of Activities	11
Fiduciary Fund:	
Statement of Net Assets	12
Component Unit:	
Statement of Net Assets	13
Statement of Activities	14
Notes to Financial Statements	15-28
Other Supporting Information	
Statement of Revenues, Expenditures and Changes	
in Fund Balance - Budget and Actual - General Fund	29-30
Combining Balance Sheet - Non-Major Governmental Funds	31
Combining Statement of Revenues, Expenditures, and	
Changes in Fund Balance - Non-Major Governmental Funds	32

CARDINAL TEPATTI & Co. P.C.

11966 SWEETWATER DR.  
GRAND LEDGE, MICHIGAN 48837

RICHARD M. ANDERSON, CPA  
JAY E. CARDINAL, CPA  
RANDALL L. TEPATTI, CPA  
STEVEN W. SHULTS, CPA

TELEPHONE  
(517) 627-4008  
FAX (517) 627-6288

INDEPENDENT AUDITOR'S REPORT

Honorable Board Members  
Windsor Charter Township  
Dimondale, MI 48821

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Charter Township, Dimondale, Michigan, as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Windsor Charter Township, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Windsor Charter Township, Dimondale, Michigan, as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, as of December 31, 2004.

Randall L. Tepatti, *Registered Representative*

Securities offered through H.D. Vest Investment Securities<sup>SM</sup>, Inc., Member SIPC. Advisory Services offered through H. D. Vest  
Advisory Services<sup>SM</sup>, Non-bank subsidiaries of Wells, Fargo & Company  
6333 North State Highway 161, Suite 400, Irving, Texas 75038 (972) 870-6000

Honorable Board Members  
Windsor Charter Township  
Dimondale, MI 48821

The management's discussion and analysis, pages 3 through 5, budgetary comparison information, pages 29 and 30, and combining balance sheet and statement of revenues, expenditures, and changes and fund balance for non-major governmental funds, pages 31 and 32, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of Windsor Charter Township, Dimondale, Michigan, basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Carolyn Tepalt & Co. P.C.*

Grand Ledge, Michigan  
June 29, 2005

WINDSOR CHARTER TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED DECEMBER 31, 2004

The management of the Windsor Charter Township, ("the Township") offers this narrative overview and analysis of the financial activities of the Township for the year ended December 31, 2004 for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the Township's financial activity. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

**Financial Highlights**

The assets of the Township exceeded its liabilities at the close of the year by \$3,200,604 (net assets). Of this amount, \$944,052 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

The Township's total net assets increased by \$278,786.

**Overview of the Financial Statements**

The Township's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

For the first time, this report includes government-wide statements as required by GASB Statement Number 34. The government-wide financial statements are designed to provide a broad overview of the Township's financial position. The Statement of Net Assets and the Statement of Activities are two new financial statements that report information about the Township as a whole, and provide measurements of long-term trends. They are presented using a method of accounting that is similar to a private-sector business.

The Statement of Net Assets presents information on all of the Township's assets and liabilities, the difference between the two being reported as the Net Assets of the Township. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities gives the information on the revenues and expenses causing the underlying change in the government's net assets during the most recent year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements can be found on pages 6 and 7 of this report.

**Focus on Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific

activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide information to facilitate this comparison between governmental funds and governmental activities.

The Township maintains five individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The general and sewer debt service funds are considered to be major funds and three special revenue funds are considered to be non-major funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information.

The basic governmental fund financial statements can be found on pages 8 and 10 of this report.

#### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-side and fund financial statements. The notes to the financial statements can be found on pages 15 through 28 of this report.

#### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund budget on pages 29 and 30 and combining statements for non-major funds on pages 31 and 32.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$3,200,604 at the close of the most recent fiscal year.

A large portion of the Township's net assets (31 percent) reflects its investment in capital assets (e.g., Township land and buildings, furniture and fixtures, and equipment), less any related debt, none at year end, used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending.

Net assets restricted for debt service on the sewer bonds comprise 39 percent of total net assets at yearend.

### Condensed Financial Information

The table below compares key financial information in condensed format:

	<u>2004</u>
Current assets	\$ 9,641,711
Capital assets - net of depreciation	<u>999,173</u>
Total assets	10,640,884
Other liabilities	610,280
Long-term debt	<u>6,830,000</u>
Net assets:	
Invested in capital assets, net of depreciation	999,173
Restricted for debt service	1,257,379
Unrestricted	<u>944,052</u>
Total net assets	<u>\$ 3,200,604</u>
Revenue:	
Taxes	\$ 1,238,417
Inter-governmental	417,188
Investment earnings	358,814
Other	<u>305,289</u>
Total revenue	2,319,708
Expenses - Township services	<u>2,040,922</u>
Change in net assets	<u>\$ 278,786</u>

### Contacting the Township

This financial report is designed to provide the wide variety of users of this document with a general overview of the Township's finances and demonstrate the Township's accountability for the money entrusted to it. If you have any questions regarding this report or need additional financial information, please direct your requests to the Windsor Charter Township, 405 W Jefferson, Dimondale, Michigan 48821.



WINDSOR CHARTER TOWNSHIP  
GOVERNMENT WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Primary Governmental Activities	Component Unit
ASSETS		
Cash and Cash Equivalents	\$ 3,298,879	\$ 224,985
Investments	1,295,568	137,434
Receivables - Net	5,041,832	
Prepaid Insurance	5,432	1,233
Capital Assets - Net	999,173	196,628
	<hr/>	<hr/>
Total Assets	\$ 10,640,884	\$ 560,280
LIABILITIES		
Accounts Payable	\$ 17,150	\$ 1,143
Accrued and Other Liabilities	87,725	3,276
Deferred Revenue	505,405	
Noncurrent Liabilities		
Due Within One Year	635,000	
Due in More Than One Year	6,195,000	
	<hr/>	<hr/>
Total Liabilities	\$ 7,440,280	\$ 4,419
NET ASSETS		
Invested in Capital Assets	\$ 999,173	\$ 196,628
Restricted for Debt Service	1,257,379	
Restricted for Special Purposes		23,689
Unrestricted	944,052	335,544
	<hr/>	<hr/>
Total Net Assets	\$ 3,200,604	\$ 555,861

The notes to the financial statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

Functions/Programs Primary Government	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Component Units
Governmental Activities:						
General Government	\$ 475,721	28,380	\$ 5,000	\$	(442,341)	\$
Public Safety	407,159				(407,159)	
Public Works	552,972				(552,972)	
Health and Welfare	222,916	223,201			285	
Other	58,829				(58,829)	
Interest on Long-Term Debt	288,325				(288,325)	
Total Governmental Activities	\$ 2,005,922	251,581	\$ 5,000	\$ -0-	\$ (1,749,341)	\$
Component Units						
Dorothy Hull Library	\$ 98,090	3,555	\$ -0-	\$ -0-		(94,535)
General Revenues:						
Property Taxes					1,238,417	6,405
State-Shared Revenues					417,188	27,539
Penal Fines						5,360
Investment Earnings					358,814	
Franchise Fees					25,115	
Miscellaneous					23,593	2,382
Transfers					(35,000)	35,000
Total General Revenues and Transfers				\$	2,028,127	\$ 76,686
Change in Net Assets				\$	278,786	\$ (17,849)
Net Assets - January 1					2,921,818	573,710
Net Assets - December 31				\$	3,200,604	\$ 555,861

The notes are an integral part of the statements.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2004

	General Fund	Sewer Debt Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 666,078	\$ 1,039,071	\$ 97,942	\$ 1,803,091
Investments	141,119	1,102,154	52,295	1,295,568
Receivables		4,975,008		4,975,008
Due From Other Funds	487,473	971,146	41,650	1,500,269
Receivable From State	66,824			66,824
<b>Total Assets</b>	<u>\$ 1,361,494</u>	<u>\$ 8,087,379</u>	<u>\$ 191,887</u>	<u>\$ 9,640,760</u>
<b>Liabilities</b>				
Accounts Payable	\$ 13,957	\$	\$ 3,193	\$ 17,150
Accrued Expenses	87,725			87,725
Due to Other Funds			4,481	4,481
Deferred Revenue	463,755	5,946,153	41,650	6,451,558
<b>Total Liabilities</b>	<u>\$ 565,437</u>	<u>\$ 5,946,153</u>	<u>\$ 49,324</u>	<u>\$ 6,560,914</u>
<b>Fund Balances</b>				
Reserved	\$	2,141,226		2,141,226
Unreserved	796,057		142,563	938,620
<b>Total Fund Balances</b>	<u>\$ 796,057</u>	<u>\$ 2,141,226</u>	<u>\$ 142,563</u>	<u>\$ 3,079,846</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,361,494</u>	<u>\$ 8,087,379</u>	<u>\$ 191,887</u>	<u>\$ 9,640,760</u>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS  
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO STATEMENT OF NET ASSETS  
December 31, 2004

Total fund balance -Total governmental funds	\$ 3,079,846
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the governmental fund financial statements.	1,922,219
Accumulated depreciation has not been included in the governmental fund financial statements.	(923,046)
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures.	5,946,153
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	(6,830,000)
Prepaid items are not available to pay current-period expenditures and, therefore, not reported in the funds.	<u>5,432</u>
Net assets of governmental activities	\$ <u><u>3,200,604</u></u>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS STATEMENT OF REVENUE,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
DECEMBER 31, 2004

	General Fund	Sewer Debt Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 439,421	\$ 758,486	\$ 40,510	\$ 1,238,417
State Grants	417,188			417,188
Charges for Services	28,380			28,380
Interest and Rentals	16,704	340,312	1,798	358,814
Other Revenue	276,909			276,909
Total Revenues	<u>\$ 1,178,602</u>	<u>\$ 1,098,798</u>	<u>\$ 42,308</u>	<u>\$ 2,319,708</u>
Expenditures				
Current				
General Government	\$ 408,860	\$	\$	\$ 408,860
Public Safety	407,159			407,159
Public Works	41,923		47,299	89,222
Health and Welfare	222,916			222,916
Other	57,682	1,147		58,829
Capital Outlay		463,750		463,750
Debt Service		933,325		933,325
Total Expenditures	<u>\$ 1,138,540</u>	<u>\$ 1,398,222</u>	<u>\$ 47,299</u>	<u>\$ 2,584,061</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 40,062</u>	<u>\$ (299,424)</u>	<u>\$ (4,991)</u>	<u>\$ (264,353)</u>
Other Financing Sources (Uses)				
Transfers In	\$	\$	\$ 25,000	\$ 25,000
Transfers Out	(60,000)			(60,000)
Total Other Financing Sources (Uses)	<u>\$ (60,000)</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ (35,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures Expenditures and Other Uses	<u>\$ (19,938)</u>	<u>\$ (299,424)</u>	<u>\$ 20,009</u>	<u>\$ (299,353)</u>
Fund Balance - January 1	<u>815,995</u>	<u>2,440,650</u>	<u>122,554</u>	<u>3,379,199</u>
Fund Balance - December 31	<u><u>\$ 796,057</u></u>	<u><u>\$ 2,141,226</u></u>	<u><u>\$ 142,563</u></u>	<u><u>\$ 3,079,846</u></u>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

Net Change in Fund Balance - Total Governmental Funds	\$ (299,353)
---	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation.

Capital asset purchases capitalized	39,825
Depreciation expense	(106,348)

Repayments of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduced long-term debt).	645,000
---	---------

Prepaid items reduce expenses reported in the statement of activities, but are reported as expenditures in the governmental funds because they require the use of current financial resources.	(338)
--	-------

Change in Net Assets of Governmental Activities	\$ <u>278,786</u>
---	-------------------

The Notes to Financial Statements are an integral part of this statement.

BENTON TOWNSHIP  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	<u>Agency Fund</u>
	Current
	Tax
	<u>Collection</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,585,808
Accounts Receivable - Property Taxes	<u>3,736,959</u>
Total Assets	\$ <u>5,322,767</u>
LIABILITIES	
Accounts Payable	\$ 7,003
Due to Other Governmental Units	<u>5,315,764</u>
Total Liabilities	\$ <u>5,322,767</u>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
 COMPONENT UNIT - DOROTHY HULL LIBRARY  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 224,985
Investments	137,434
Prepaid Insurance	1,233
Capital Assets - Net	<u>196,628</u>
Total Assets	\$ <u>560,280</u>
LIABILITIES	
Accounts Payable	\$ 1,143
Accrued Expenses	<u>3,276</u>
Total Liabilities	\$ <u>4,419</u>
NET ASSETS (DEFICIT)	
Invested in Capital Assets	\$ 196,628
Restricted for Special Purposes	23,689
Unrestricted	<u>335,544</u>
Total Net Assets	\$ <u><u>555,861</u></u>

The notes to the financial statements are an integral part of this statement.



WINDSOR CHARTER TOWNSHIP  
 COMPONENT UNIT - DOROTHY HULL LIBRARY  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental Activities:					
Recreation and Culture	\$ 98,090	\$ 3,555	\$ -0-	\$ -0-	\$ (94,535)
General Revenues:					
State Aid - Unrestricted					6,405
Penal Fines					27,539
Investment Income					5,360
Miscellaneous					2,382
Transfers					35,000
Total General Revenue					\$ 76,686
Change in Net Assets					\$ (17,849)
Net Assets (Deficit) - Beginning of Year					573,710
Net Assets (Deficit) - End of Year					\$ 555,861

The notes to the financial statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Windsor Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant policies used by Windsor Charter Township:

The Reporting Entity

The Charter Township of Windsor was incorporated under the provision of Act 359, P.A. 1947, as amended. The Township operates under an elected Board of Trustees and provides services to its more than 6,000 residents. In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 (The Financial Reporting Entity", these financial statements present the Local Unit (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Discretely Presented Component Unit

Dorothy Hull Library

The Library, which was established pursuant to the provisions of Michigan law (MCL 397.210), is governed by an elected six member board of directors. The Library Board has exclusive control over library funds, expenditures and of any library building construction, supervision, care and maintenance.

Complete financial statements for the component unit may be obtained at the library located at 405 West Jefferson, Dimondale, MI 48821. Library fund revenues must be deposited in the township treasury and are drawn by the township treasurer on library board vouchers.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the township and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, generally financed in whole or in part with fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the township is financially accountable.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current resources. The Township has presented the following major governmental funds:

General Fund - The general fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of or regulatory provisions or administrative action.

Additionally, the Township reports the following fund type:

Fiduciary Funds - These funds are used to account for assets held in trust or as an agent for others. The Current Tax Collection Fund is the Township's only fiduciary fund.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgements are recorded only when payment is due.

Private-sector standard of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with standards of the Governmental Accounting Standards Board.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

Bank Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity date within three months or less when acquired.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	20 to 40 years
Land Improvements	15 years
Furniture and Fixtures	5 to 20 years
Machinery & Equipment	4 to 10 years
Vehicles	10 years

Compensated Absences (Vacation and Sick Leave)

Full-time ambulance employees are granted vacation and sick leave benefits in varying amounts to specified maximums, depending upon tenure with the Township. Upon termination, it is Township policy to pay unused vacation time as additional time off and not to pay for any unused sick leave.

The estimated current portion of the liability for vested vacation benefits attributable to the Township's governmental funds is recorded as an expenditure and liability in the respective funds. No long-term portion was recorded.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

Accounting Change

Effective January 1, 2004, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows: A Management's Discussion and Analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included. Entity-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.

The following table shows beginning net assets restated for the effects of implementation of GASB Statement No. 34:

Township Fund Balance at December 31, 2003	\$3,379,199
Net Capital Assets	1,065,696
Special Assessment Receivable	5,946,153
Long-Term Debt	(7,475,000)
Prepaid Expenses	<u>5,770</u>
Restated Net Assets - January 1, 2004	<u>\$2,921,818</u>
Library Fund Balance at December 31, 2003	\$394,152
Investments	(39,168)
Net Capital Assets	217,636
Prepaid Expenses	<u>1,090</u>
Restated Net Assets - January 1, 2004	<u>\$573,710</u>

Property Taxes

The Township property tax is levied on each December 1, on the State taxable valuation of property located in the Township as of the preceding December 31<sup>st</sup>.

Although the Township 2004 ad valorem tax is levied and collectible on December 31, 2004 it is the Township's policy to recognize revenue from this year's tax levy.

The 2004 State Equalized Valuation of the Township totaled \$240,858,700 and the State Taxable Valuation was \$192,282,500, on which ad valorem taxes levied consisted of 2.4 mills and raising \$461,478 for Township operations.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budget Policies

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State Law for the general fund and special revenue funds. All annual appropriations lapse at fiscal year end. Encumbrances are not employed.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the activity level. Expenditures in excess of amounts budgeted are a violation of Michigan Law. State law permits entities to amend their budgets during the year. There were no significant amendments during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds

<u>Fund</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund:			
General Government:			
Township Board	\$ 147,100	\$ 148,163	\$ (1,063)
Cemetery	34,800	36,316	(1,516)
Public Safety:			
Fire Department	379,300	384,494	(5,194)
Health and Welfare:			
Ambulance	219,210	222,210	(3,000)

The Township has an accumulated fund balance deficit in the Street Lighting Fund totaling \$7,674.

Public Act 275 of 1980 (MCL 141.921) requires that the Township file a deficit elimination plan to the Michigan Department of Treasury within 90 days after the end of the fiscal year for each fund that ended that year in a deficit condition. The Township has not filed the required plan. The Township feels the following addresses the deficit and will be filing the plan shortly:

- Street Lighting Fund - Street lighting requirements has increased during the current fiscal year. Special assessments in 2004 and future years will be increased to cover this deficit and increased operating expenses.



**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - CASH**

Michigan Compiled Laws, section 129.91, authorizes the Township to make deposits and invest in the accounts of the federally insured banks, credit unions, and savings and loan associations which have offices in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated five banks for deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 197 has authorized investments in bank accounts and CDs, but not the remainder of State statutory Township as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the following categories:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and Cash Equivalents	\$2,041,500	\$ -0-	\$1,585,808	\$3,627,308	\$201,296
Investments	1,295,568	-0-	-0-	1,295,568	137,434
Restricted Assets	1,257,379	-0-	-0-	1,257,379	23,689
Total	<u>\$4,594,447</u>	<u>\$ -0-</u>	<u>\$1,585,808</u>	<u>\$6,180,255</u>	<u>\$362,419</u>

The Breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank Deposits (checking and savings Accounts, certificates of deposit)	\$3,298,879	\$224,985
Investments in Securities, Mutual Funds and Similar Vehicles	1,295,568	137,434
Petty Cash and Cash on Hand	-0-	-0-
Total	<u>\$4,594,447</u>	<u>\$362,419</u>

The bank balance of the primary government's deposits is \$3,298,879, of which \$398,673 is covered by federal depository insurance. The component units' deposits had a bank balance of \$224,985 of which \$204,356 was covered by federal depository insurance.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.

At year-end, the government's investment balances were categorized as follows:

Primary Government

	Category			Reported Amount (Fair Value)
	1	2	3	
Certificates of Deposit	<u>\$1,295,568</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$ 1,295,568</u>

Component Unit

	Category			Reported Amount (Fair Value)
	1	2	3	
Certificates of Deposit	<u>\$78,820</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$ 78,820</u>

Investments Not Subject to  
Categorization

58,614

Totals

\$1,433,002

The New York Life Insurance investment is in a whole life insurance policy insuring the life of the donor. The Library is the beneficiary and owner of this policy. The donor has paid \$100,000 on the insurance policy. Future insurance premiums will be paid from cash values of the insurance policy. The cash and face values of the policy at December 31, 2004, were \$58,614 and \$121,867, respectively.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - RECEIVABLES**

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Sewer Debt	Non-Major and Other Funds	Total
Taxes receivable	\$	\$	\$ 3,736,959	\$ 3,736,959
Accounts				
Special Assessments		4,975,008		4,975,008
Intergovernmental	66,824			
Gross Receivables	\$ 66,824	\$4,975,008	\$ 3,736,959	\$ 8,778,791
Less: Allowance for Uncollectibles	-0-	-0-	-0-	-0-
Net Receivables	<u>\$ 66,824</u>	<u>\$4,975,008</u>	<u>\$ 3,736,959</u>	<u>\$ 8,778,791</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity of the primary unit for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
<b>Government Activities</b>				
Capital Assets Not Being Depreciated				
Land	<u>\$ 117,935</u>			<u>\$ 117,935</u>
Capital Assets Being Depreciated				
Buildings	\$ 694,804	\$	\$	\$ 92,966
Land Improvement	16,326			3,950
Furniture and Fixtures	48,581	7,588		56,169
Machinery & Equipment	290,421	32,237		322,658
Vehicles	714,327			714,327
Subtotal	\$1,764,459	\$ 39,825	\$ -0-	\$1,804,284
Less Accumulated Depreciation	<u>\$ 816,698</u>	<u>\$106,348</u>	<u>\$ -0-</u>	<u>\$ 923,046</u>
Net Capital Assets Being Depreciated	<u>\$ 947,761</u>	<u>\$ (66,523)</u>	<u>\$ -0-</u>	<u>\$ 881,238</u>
Governmental Activities Total				
Capital Assets-Net of Depreciation	<u>\$1,065,696</u>	<u>\$ (66,523)</u>	<u>\$ -0-</u>	<u>\$ 999,173</u>

Depreciation expense totaling \$106,348 was charged to the general government program in the statement of activities.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

Capital asset activity of the component unit for the current year was as follows:

<b>Government Activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets Not Being Depreciated				
Land	<u>\$ 4,190</u>			<u>\$ 4,190</u>
Capital Assets Being Depreciated				
Buildings	\$ 92,966	\$	\$	\$ 92,966
Land Improvement	3,950			3,950
Furniture and Fixtures	39,203			39,203
Books and Videos	<u>386,023</u>	<u>13,927</u>	<u>16,950</u>	<u>383,000</u>
Subtotal	\$522,142	\$ 13,927	\$16,950	\$519,119
Less Accumulated Depreciation	<u>\$308,696</u>	<u>\$ 34,935</u>	<u>\$16,950</u>	<u>\$326,681</u>
Net Capital Assets Being Depreciated	<u>\$213,446</u>	<u>\$ (21,008)</u>	<u>\$ -0-</u>	<u>\$192,438</u>
Governmental Activities Capital Total				
Capital Assets-Net of Depreciation	<u>\$217,636</u>	<u>\$ (21,008)</u>	<u>\$ -0-</u>	<u>\$196,628</u>

Depreciation expense totaling \$34,935 was charged to the general government program in the statement of activities.

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 4,481	Street Lighting	\$ 4,481
	<u>482,992</u>	Tax Collection	<u>482,992</u>
Subtotal	487,473		
Debt Service	\$ 971,146		\$ 971,146
Street Lighting	41,650		<u>41,650</u>
	<u></u>	Subtotal	<u>1,495,788</u>
Totals	\$ <u>1,500,269</u>		\$ <u>1,500,269</u>

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - EMPLOYEE'S RETIREMENT SYSTEM - DEFINED CONTRIBUTION**

The Township has a defined contribution pension plan covering substantially all employees who choose to belong to the plan. The minimum contribution of employees who wish to participate is 5 percent of their gross wage. The Township will contribute a maximum of 10 percent of participating employees gross wages. This benefit is an insurance-type plan administered by plan trustees, "Windsor Charter Township Pension Plan", under provisions of Section 401(a) of the Internal Revenue Code. As of December 31, 2004, the pension plan's current membership was sixteen employees.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on the investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. The plan has no annual contribution requirement. Plan contributions will be determined by the Township's Board annually and all contributions have immediate vesting.

For the plan year ended December 31, 2004, the Township's actual contributions amounted to \$50,269. The plan is funded through the Manulife Insurance Company and had the following activity during the fiscal year ended December 31, 2004.

Balance - January 1, 2004	\$	304,692
Contributions - Employees		50,269
Employer		50,269
Earnings (Loss)		33,537
Withdrawals		(28,493)
Charges		<u>(4,755)</u>
Balance - December 31, 2004	\$	<u>405,519</u>

No pension provision changes occurred during the year that affected the required contributions to be made by Windsor Charter Township.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

The pension plan held no securities of Windsor Charter Township or other related parties during the year or as of the close of the fiscal year.

**NOTE 8 - LONG-TERM DEBT**

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt services.

Bond and contractual obligation activity can be summarized as follows:

	<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>						
Special Assessment Bonds						
2001 sewage disposal refunding bonds	2.75%-4.375%	11-1-15	\$4,100,000	(\$400,000)	\$3,700,000	\$390,000
2002 sewage disposal improvement bonds	3.0%-4.55%	11-1-17	<u>3,375,000</u>	<u>( 245,000)</u>	<u>3,130,000</u>	<u>245,000</u>
Total Government Activities			<u>\$7,497,000</u>	<u>(\$645,000)</u>	<u>\$6,830,000</u>	<u>\$635,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 635,000	\$ 267,650
2006	605,000	246,725
2007	595,000	225,525
2008	590,000	203,625
2009	590,000	181,225
Thereafter	<u>3,815,000</u>	<u>612,488</u>
Total	<u>\$6,830,000</u>	<u>\$1,737,238</u>

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - FUND BALANCE - RESERVED**

The reserved portion of the fund balance, totaling \$23,685 consists of the Dorothy Hull Memorial Fund. These funds are reserved for future capital outlays and improvements to the library.

**NOTE 10 - RISK FINANCING**

The Township is exposed to various risks of loss related to theft of, damage to, and distribution of assets; errors and omissions; and injuries to employees. The Township participates in the Michigan Municipal Liability and Property Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, building and contents) and workers' compensation. Settlement amounts have not exceeded insurance coverage for the current or three prior years.

The local units in the State of Michigan established and created a trust fund, known as the Michigan Municipal Liability and Property Pool (Pool) pursuant to the provisions of Act 138 of the Michigan Public Acts of 1982. The Pool is to provide for joint and cooperative action relative to Members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to local units and related local unit activities with the state.

The Michigan Municipal Liability and Property Pool program operates as a common risk-sharing management program for local units in Michigan, member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

**NOTE 11 - SPECIAL ASSESSMENT IMPROVEMENT BONDS, SERIES 2005**

The Special Assessment Improvement Bonds, Series 2005 (Limited Tax - General Obligation) of the Township are issued on March 9, 2005 under and in pursuance of the provisions of Act 188, Public Acts of Michigan, 1954. The Bonds are issued for the purpose of defraying the cost of expanding the Dimondale/Windsor Wastewater Treatment Plant, and making related improvements, and in anticipation of the collection in the amount of \$2,365,000 on the special assessment roll against the lands in the Sanitary Sewer Treatment Special Assessment District 2002-C. In addition to the special assessments, the Township has pledged its full faith and credit subject to applicable constitutional, statutory and charter tax rate limitations. In case of insufficiency of said special assessment collections, the Bonds are payable from the general funds of the Township.

WINDSOR CHARTER TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 182,600	\$ 182,600	\$ 815,995	\$ 633,395
Resources (Inflows)				
Taxes:				
Current Taxes	\$ 426,000	\$ 426,600	\$ 434,056	\$ 7,456
Delinquent Taxes	100	2,635	2,654	19
Trailer Taxes	2,700	2,700	2,711	11
	<u>\$ 428,800</u>	<u>\$ 431,935</u>	<u>\$ 439,421</u>	<u>\$ 7,486</u>
State Grants:				
State Shared Revenue	\$ 400,000	\$ 406,630	\$ 400,375	\$ (6,255)
Fire Protection	15,000	16,800	16,813	13
	<u>\$ 415,000</u>	<u>\$ 423,430</u>	<u>\$ 417,188</u>	<u>\$ (6,242)</u>
Charges for Services:				
Fees Collected	\$ 5,000	9,055	\$ 9,055	\$ -0-
Summer Tax Collection Fees	8,100	8,600	8,586	(14)
Cemetery Foundations	1,000	1,900	1,889	(11)
Grave Openings	6,000	8,850	8,850	-0-
	<u>\$ 20,100</u>	<u>\$ 28,405</u>	<u>\$ 28,380</u>	<u>\$ (25)</u>
Interest and Rentals	<u>\$ 8,000</u>	<u>\$ 5,400</u>	<u>\$ 16,704</u>	<u>\$ 11,304</u>
Other Revenue:				
Ambulance Fees	\$ 160,000	\$ 223,200	\$ 223,201	\$ 1
Franchise Fees	19,000	25,100	25,115	15
Miscellaneous	1,800	26,665	28,593	1,928
	<u>\$ 180,800</u>	<u>\$ 274,965</u>	<u>\$ 276,909</u>	<u>\$ 1,944</u>
Amounts Available for Appropriation	<u>\$ 1,235,300</u>	<u>\$ 1,346,735</u>	<u>\$ 1,994,597</u>	<u>\$ 647,862</u>
Charges to Appropriations (Outflows)				
General Government:				
Township Board	\$ 117,100	\$ 147,100	\$ 148,163	\$ (1,063)
Supervisor's Office	70,700	70,700	66,954	3,746
Elections	20,000	20,000	11,249	8,751
Clerk's Office	66,600	66,600	64,641	1,959
Board of Review	2,400	2,400	2,244	156
Treasurer's Office	65,400	65,400	61,106	4,294

The notes to the financial statements are an integral part of this statement.



WINDSOR CHARTER TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Township Hall	11,200	11,200	9,689	1,511
Cemetery	33,100	34,800	36,316	(1,516)
Unallocated	10,200	10,200	8,498	1,702
	<u>\$ 396,700</u>	<u>\$ 428,400</u>	<u>\$ 408,860</u>	<u>\$ 19,540</u>
Public Safety:				
Fire Department	\$ 374,400	379,300	384,494	(5,194)
Planning Commision	27,000	27,000	22,665	4,335
	<u>\$ 401,400</u>	<u>\$ 406,300</u>	<u>\$ 407,159</u>	<u>\$ (859)</u>
Public Works:				
Drain at Large	\$ 3,400	3,400	3,391	9
Street Lighting	5,100	5,100	483	4,617
Road Improvements	70,000	40,000	38,049	1,951
	<u>\$ 78,500</u>	<u>\$ 48,500</u>	<u>\$ 41,923</u>	<u>\$ 6,577</u>
Health and Welfare:				
Ambulance	\$ 189,800	\$ 219,210	\$ 222,916	\$ (3,706)
Other:				
Social Security	\$ 16,700	16,700	15,867	833
Insurance and Bonds	47,200	47,200	41,815	5,385
Other	45,000	8,990		8,990
	<u>\$ 108,900</u>	<u>\$ 72,890</u>	<u>\$ 57,682</u>	<u>\$ 15,208</u>
Other Financing Sources (Uses):				
Transfers Out	\$ 25,000	25,000	25,000	-0-
Transfers Out - Component Unit	35,000	35,000	35,000	-0-
	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -0-</u>
Total Charges to Appropriations	<u>\$ 1,235,300</u>	<u>\$ 1,235,300</u>	<u>\$ 1,198,540</u>	<u>\$ 36,760</u>
Budgetary Fund Balance - December 31	<u>\$ -0-</u>	<u>\$ 111,435</u>	<u>\$ 796,057</u>	<u>\$ 684,622</u>

The notes to the financial statements are an intgral part of this statement.

WINDSOR CHARTER TOWNSHIP  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	<u>Special Revenue Funds</u>			<u>Totals</u>
	<u>River Rock</u>	<u>Public Improve.</u>	<u>Street Lighting</u>	
ASSETS				
Cash and Cash Equivalents	\$ 22,415	\$ 127,822	\$	\$ 150,237
Due from Other Funds			41,650	41,650
Total Assets	<u>\$ 22,415</u>	<u>\$ 127,822</u>	<u>\$ 41,650</u>	<u>\$ 191,887</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$	\$	\$ 3,193	\$ 3,193
Due to Other Funds			4,481	4,481
Deferred Revenue			41,650	41,650
Total Liabilities	\$ -0-	\$ -0-	\$ 49,324	\$ 49,324
Fund Equity				
Fund Balance-Unreserved	22,415	127,822	(7,674)	142,563
Total Liabilities and Fund Equity	<u>\$ 22,415</u>	<u>\$ 127,822</u>	<u>\$ 41,650</u>	<u>\$ 191,887</u>

The notes to the financial statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2004

	Special Revenue Funds			Totals
	River Rock	Public Improve.	Street Lighting	
Revenues				
Taxes	\$	\$	\$ 40,510	\$ 40,510
Interest	412	1,386		1,798
Total Revenues	\$ 412	\$ 1,386	\$ 40,510	\$ 42,308
Expenditures				
Current:				
Public Works	\$ -0-	\$ -0-	\$ 47,299	\$ 47,299
Excess of Revenues Over (Under) Expenditures	\$ 412	\$ 1,386	\$ (6,789)	\$ (4,991)
Other Financing Sources (Uses)				
Operating Transfers In		25,000		25,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 412	\$ 26,386	\$ (6,789)	\$ 20,009
Fund Balance - January 1	22,003	101,436	(885)	122,554
Fund Balance - December 31	<u>\$ 22,415</u>	<u>\$ 127,822</u>	<u>\$ (7,674)</u>	<u>\$ 142,563</u>

The notes to financial statements are an integral part of this statement.